

## Message Text

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PAGE 01 STATE 232426  
ORIGIN L-03

INFO OCT-01 NEA-10 ISO-00 /014 R

DRAFTED BY L/NEA::MPEAY:DE  
APPROVED BY NEA/PAB:CFULLER  
L:LRMARKS (SUBS)

-----126012 132310Z /66

O 132245Z SEP 78  
FM SECSTATE WASHDC  
TO AMEMBASSY DACCA IMMEDIATE

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E.O. 11652: N/A

TAGS: EINV, BG, US

SUBJECT: CAPTAIN CLAIM VS BDG

1. ON SEPT. 13 REPRESENTATIVES OF L AND NEA/PAB MET WITH WASHINGTON, D.C. ATTORNEYS REPRESENTING FARROKH CAPTAIN. DEPT WAS INFORMED THAT THE GOVERNMENT OF BANGLADESH HAS GIVEN NOTICE OF ITS INTENT TO SELL MR. CAPTAIN'S CHITTAGONG PLANT TO THE HIGHEST BIDDER TOMORROW, SEPTEMBER 14. WE ARE ALSO INFORMED THAT THE BDG HAS INFORMED MR. CAPTAIN, WHO WE UNDERSTAND IS PRESENTLY STILL IN BANGLADESH, THAT HIS CLAIM FOR COMPENSATION OR RETURN OF HIS CHITTAGONG AND DACCA PLANTS HAS BEEN DENIED ON THE FOLLOWING FIVE GROUNDS:

-- FARROKH CHEMICALS INC. LTD. WAS REGISTERED IN WEST PAKISTAN;

-- THE BDG ABANDONED PROPERTY ORDER UNDER WHICH THE ASSETS WERE SEIZED IN 1974 WAS RETROACTIVE TO 1972;

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-- MR. CAPTAIN IS AN AMERICAN BY NATURALIZATION, NOT BY BIRTH;

-- THE PROPERTY WAS NOT AMERICAN-OWNED AT ITS INCEPTION BUT ONLY BECAME AMERICAN WHEN MR. CAPTAIN WAS NATURALIZED; AND

-- THE INVESTMENT IN THE COMPANY WAS MADE IN RUPEES, NOT

IN DOLLARS.

2. WITH RESPECT TO THE DACCA PLANT, WHICH WAS NATIONALIZED AFTER CAPTAIN WAS A U.S. CITIZEN, THE DEPT VIEWS THIS GROUND FOR DENIAL AS IRRELEVANT AND UNPERSUASIVE. WITH RESPECT TO CHITTAGONG PLANT, DEPT HAS NO CONSIDERED VIEW BECAUSE OF NEED FOR FURTHER FACTS SURROUNDING HISTORY OF BDG'S POSSESSION OF THIS PROPERTY SINCE INCEPTION OF ITS INITIAL SEIZURE.

3. IN ANY EVENT, CAPTAIN ATTORNEYS HAVE REQUESTED THAT THE DEPARTMENT TAKE URGENT ACTION TO FORESTALL THE SALE OF THE CHITTAGONG PLANT AT LEAST UNTIL SUCH TIME AS MR. CAPTAIN HAS HAD A FULL OPPORTUNITY TO BE HEARD AND TO REASONABLY PURSUE HIS LEGAL AND ADMINISTRATIVE REMEDIES.

4. BECAUSE THE SALE OF THE CHITTAGONG PROPERTY TOMORROW COULD COMPROMISE CAPTAIN'S AND ANY SUBSEQUENT USG EFFORTS TO OBTAIN COMPENSATION FOR DACCA PLANT, DEPARTMENT BELIEVES THAT EXPEDITIOUS EFFORTS TO PREVENT TOMORROW'S SALE WOULD BE PRUDENT.

5. ACCORDINGLY, EMBASSY IS INSTRUCTED TO URGENTLY APPROACH APPROPRIATE BDG OFFICIALS TO REQUEST FOREBEARANCE ON SALE OF CHITTAGONG PROPERTY, AT LEAST UNTIL SUCH TIME AS CAPTAIN HAS HAD OPPORTUNITY FOR A FULL HEARING AND TO LIMITED OFFICIAL USE

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PURSUE EFFECTIVELY HIS LEGAL AND ADMINISTRATIVE REMEDIES. IN APPROACHING BDG, EMBASSY IS AUTHORIZED, WITHOUT DWELLING ON THIS POINT, TO CALL TO BDG'S ATTENTION OUR MUTUAL INTEREST IN AVOIDING A SITUATION IN WHICH HICKENLOOPER OR OTHER SIMILAR US LEGISLATION WOULD BE CONSIDERED APPLICABLE BECAUSE OF BDG ACTIONS WHICH HAVE OR APPEAR TO HAVE THE EFFECT OF NATIONALIZING U.S. CITIZEN PROPERTY WITHOUT SPEEDY AND ADEQUATE COMPENSATION.

6. PLEASE INFORM AT EARLIEST OPPORTUNITY ACTION BDG INDICATES IT WILL TAKE IN RESPONSE TO EMBASSY'S APPROACH. CHRISTOPHER

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## Message Attributes

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**TAGS:** EINV, BG, US, (CAPTAIN, FARROKH)  
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**Review Markings:**  
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